UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/CONF.151/PC/L.41/Rev.1
10 March 1992

ORIGINAL: ENGLISH

PREPARATORY COMMITTEE FOR THE
UNITED NATIONS CONFERENCE ON
ENVIRONMENT AND DEVELOPMENT
Fourth session
New York, 2 March-3 April 1992
Agenda item 2 (c)

PREPARATIONS FOR THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT ON THE BASIS OF GENERAL ASSEMBLY RESOLUTION 44/228 AND TAKING INTO ACCOUNT OTHER RELEVANT GENERAL ASSEMBLY RESOLUTIONS: CROSS-SECTORAL ISSUES

China and Pakistan*: revised draft decision

Financial resources and mechanisms

The Preparatory Committee, recalling General Assembly resolution 44/228, decides that the following should be inserted as section IV, chapter 1, of Agenda 21:

FINANCIAL RESOURCES AND MECHANISMS

INTRODUCTION

The General Assembly, in resolution 44/228 (part I, para. 15), inter alia, decided that the Conference on Environment and Development should:

(j) "identify ways and means of providing new and additional financial resources, particularly to developing countries, for environmentally sound development programs and projects in accordance with national development objectives, priorities and plans, and to consider ways

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* On behalf of the States Members of the United Nations that are members of the Group of 77.

of effectively monitoring the provision of such new and additional financial resources, particularly to developing countries, so as to enable the international community to take further appropriate action on the basis of accurate and reliable data";

(k) "identify ways and means of providing additional financial resources for measures directed towards solving major environmental problems of global concern and especially of supporting those countries, in particular developing countries, for which the implementation of such measures would entail a special or abnormal burden, owing, in particular, to their lack of financial resources, expertise or technical capacity";

(l) "consider various funding mechanisms, including voluntary ones, and to examine the possibility of a special international fund and other innovative approaches, with a view to ensuring, on a favourable basis, the most effective and expeditious transfer of environmentally sound technologies to developing countries";

(v) "quantify the financial requirements for the successful implementation of Conference decisions and recommendations and to identify possible sources, including innovative ones, of additional resources".

The purpose of this chapter is to provide for the financing of the implementation of Agenda 21 and it constitutes the financial rationale ruling all the other chapters.

Basis for action

1. The recognition that action for sustainable development remains a principal challenge facing humanity, and that economic growth is essential to meet this challenge.

2. A recognition that the cost of inaction will outweigh the financial costs of implementing Agenda 21 with serious consequences for the planet.

3. The need to finance the implementation of Agenda 21 and to establish an effective mechanism for this purpose to enable the developing countries, particularly the least developed countries, to participate effectively in its implementation and in follow-up activities to UNCED.

4. The recognition of the interrelationship between "global" and "local" environmental problems.

5. The importance of a supportive international economic climate conducive to sustained economic growth and development, particularly in developing countries. In this context, measures are needed, inter alia, in the areas of market access, terms of trade, remunerative commodity prices, diversification of productive sectors, transfer of technologies, debt problems, and alleviation of poverty.

6. The need to provide adequate, new and additional funds, covering the full incremental costs with no reallocation of existing multilateral or bilateral financial flows for the activities identified below. These funds flowing from the developed countries to the developing countries are to a great extent of a compensatory nature.

7. The recognition that while quantification and mobilization of the sums required is a continuing process, there should be a substantial initial financial commitment to be increased appropriately in order to achieve the additional funding requirements of Agenda 21.

8. These funds should be provided to a large extent on a grant basis and could include concessionary flows.

Objectives

1. Provision of adequate, predictable, new and additional financial resources for effective implementation of Agenda 21.

2. Establishment of an appropriate funding mechanism to be utilized for implementation of Agenda 21.

Activities

1. To finance the activities described in all the other chapters of Agenda 21, as follows:

I. SOCIAL AND ECONOMIC DIMENSIONS

1. International policies to accelerate sustainable development in developing countries, and related domestic policies

2. Combating poverty

3. Changing consumption patterns

4. Demographic dynamics and sustainability

5. Protection and promotion of human health conditions

6. Promoting a sustainable pattern of human settlements

7. Integration of environment and development in decision-making

II. CONSERVATION AND MANAGEMENT OF RESOURCES FOR DEVELOPMENT

1. Protecting the atmosphere

2. Integrated approach to planning and management of land resources

3. Combating deforestation

4. Managing fragile ecosystems: combating desertification and drought

5. Managing fragile ecosystems: sustainable mountain development

6. Promoting sustainable agriculture and rural development

7. Conservation of biological diversity

8. Environmentally sound management of biotechnology

9. Protection of the oceans, all kinds of seas, including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources

10. Protection of the quality and supply of freshwater resources: application of integrated approaches to the development management and use of water resources

11. Environmentally sound management of toxic chemicals and prevention of illegal international traffic in toxic and dangerous products and wastes

12. Environmentally sound management of hazardous wastes

13. Environmentally sound management of solid wastes and sewage related issues

14. Safe and environmentally sound management of radioactive wastes

III. STRENGTHENING THE ROLE OF MAJOR GROUPS

1. Global action for women towards sustainable and equitable development

2. Strengthening the role of youth

3. Recognizing and strengthening the role of indigenous people

4. Non-governmental organizations: partners for sustainable development

5. Local authorities initiatives in support of Agenda 21

6. Strengthening the role of trade unions

7. Business and industry

8. Scientific [and technological] community

9. Primary producers

IV. MEANS OF IMPLEMENTATION

2. Transfer of environmentally sound technology

3. Science for sustainable development

4. Promotion of education, training and public awareness

5. National mechanisms and international cooperation for capacity building in developing countries

6. International institutional arrangements

7. Regional organizations

8. International legal instruments and mechanisms

9. Providing data and information for sustainable development

2. In doing so full account shall be taken of the following areas as listed in operative paragraph 12 (Part I) of resolution 44/228 of the United Nations General Assembly:

(a) "Protection of the atmosphere by combating climate change, depletion of the ozone layer and transboundary air pollution;

(b) Protection of the quality and supply of freshwater resources;

(c) Protection of the oceans and all kinds of seas, including enclosed and semi-enclosed seas, and coastal areas and the protection, rational use and development of their living resources;

(d) Protection and management of land resources by, inter alia, combating deforestation, desertification and drought;

(e) Conservation of biological diversity;

(f) Environmentally sound management of biotechnology;

(g) Environmentally sound management of wastes, particularly hazardous wastes, and of toxic chemicals, as well as prevention of illegal international traffic in toxic and dangerous products and wastes;

(h) Improvement of the living and working environment of the poor in urban slums and rural areas, through the eradication of poverty by, inter alia, implementing integrated rural and urban development programmes, as well as taking other appropriate measures at all levels necessary to stem the degradation of the environment;

(i) Protection of human health conditions and improvement of the quality of life."

3. To develop an equitable and balanced representation and transparency in the governance of international financial mechanisms.

4. To assist in building and strengthening the scientific, technological, and institutional capacities and capabilities of the developing countries.

5. To monitor on a regular basis the provision by developed countries of financial resources for the implementation of Agenda 21 as to their additionality, predictability, and adequacy.

6. To review on a regular basis the governance and operation of financial mechanisms utilized for the implementation of Agenda 21.

Means of implementation

1. The new and additional funding should be the basis of an evolving partnership leading progressively towards the goal of sustainable development in both developing and developed countries.

2. This funding should be provided in addition and separate from the ODA target commitments by the developed countries.

3. A specific and separate fund for the implementation of Agenda 21 should be established.

4. Predictability in the flow of funds should be ensured by assessed contributions from developed countries. Developing countries could contribute on a voluntary basis.

5. The governance of the fund should include the following criteria:

(a) It should be transparent.

(b) It should be democratic in nature, with an equal voice for all parties in setting project eligibility criteria, project selection, and the authority to release funds, enabling an equitable balance between developed and developing countries.

(c) It should provide access and disbursement to all developing countries without any conditionality.

(d) It should provide for funding of activities according to the priorities and needs of the developing countries, taking into account Agenda 21.

6. All possibilities can be explored in regard to location or locations of the fund and its administrative and operational activities in the light of the above criteria.

7. In addition, existing mechanisms governed by the criteria defined in paragraph 5 above could also be utilized, as appropriate, in order to optimize provision of substantial grants or concessionary resources for the implementation of Agenda 21.

8. In the follow-up of UNCED there should be provisions for the effective monitoring of the financing of Agenda 21 and the mechanisms utilized for that purpose.